

The Microsoft Excel-based (Excel) Automated CG-5136 series, available on disk from NPFC, is recommended for documenting spill related costs and other financial management outputs. The NPFC also maintains copies of these forms, which can be downloaded for printing, at its website: <http://www.npfc.gov>

**U.S. Coast Guard
Federal On Scene Coordinator
(FOSC)**

**Finance and Resource Management
Field Guide**

PURPOSE

This information and guidance is provided to assist U.S. Coast Guard (USCG) Federal On-Scene Coordinators (FOSCs), Coast Guard marine safety, environmental protection, and National Strike Force personnel, in managing environmental emergencies affecting waters of the United States for which the USCG maintains FOSC responsibility. This guide is intended to present the key requirements and policies concerning contracting and financial management of oil and hazardous substance response activities. This is required by 40 CFR Part 300 - National Oil and Hazardous Substances Pollution Contingency Plan (NCP). In the NCP Sections 300.315 and 5.7 of Appendix E to the NCP requires the FOSC to collect and maintain documentation to support full cost recovery. (NPFC User Reference Guide, Chapter 3.)

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INTRODUCTION

This guide is designed to fit into a pocket-sized format. It distills relevant Coast Guard guidance and policy documents related to contracting and financial management for Coast Guard Federal On-Scene Coordinators (FOSCs) during responses to oil and hazardous substance incidents. The main sources of information and guidance are the National Pollution Funds Center (NPFC) Fund User Reference Guide, and Commandant Instructions.

Who the User Guide is for. This information and guidance is provided to assist U.S. Coast Guard (USCG) Federal On-Scene Coordinators (FOSCs), Coast Guard marine safety, environmental protection, and National Strike Force (NSF) personnel, in managing environmental emergencies affecting waters of the United States for which the USCG maintains FOSC responsibility.

What the Guide Covers. This guide is designed to succinctly describe contracting and financial management processes and procedures required during the response to oil spills and hazardous substance releases. It covers roles and responsibilities, principal terms, definitions, contracting policies and procedures, for financial management and documentation requirements. Also, it provides references to related information where appropriate.

What the Guide does not Cover. This guide does not cover the managing of response resources or provide guidance for response operations.

How the Guide is Organized. The **OSLTF and CERCLA Financial Management Checklists** at the beginning of this Guide provide a quick reference on the financial management requirements and steps that apply to response operations. These are followed by a summary of the organizational roles and responsibilities of the parties involved with cost documentation. It then presents the Oil Spill Liability Trust Fund (**OSLTF**) and Comprehensive

OSLTF Checklist

Environmental Response Compensation and Liability Act (**CERCLA**) detailed financial management requirements, processes, and procedures; contracting procedures for cleanup services; and financial documentation procedures.

OIL SPILLS FOSC FINANCIAL MANAGEMENT CHECKLIST

*(For Coast Guard FOSC financial management ONLY;
operational steps are NOT included)*

When The Spill Occurs

☐

Does OSLTF apply? ____yes ____no

If you answer yes to both of these questions, OSLTF funding applies.

1. Was there a discharge of oil, or a substantial threat of a discharge of oil (i) into navigable waters; (ii) on the adjoining shorelines; (iii) into the waters of the exclusive economic zone; or (iv) it may affect natural resources under exclusive management authority of the United States?
2. Are further actions necessary to ensure effective and immediate removal, mitigation or prevention of the substantial threat?

☐

Collect incident information. (page 89)

<p>Name of incident: _____</p> <p>Location (body of water, city, state): _____</p> <p>_____</p> <p>Latitude and longitude: _____</p> <p>_____</p> <p>Type of oil: _____</p> <p style="margin-left: 150px;"> <input type="checkbox"/> Visual Observation <input type="checkbox"/> Field testing <input type="checkbox"/> Lab analysis <input type="checkbox"/> Report by knowledgeable party <input type="checkbox"/> Other _____ </p> <p>Quantity of oil: _____</p> <p>Description of substantial threat: _____</p> <p>_____</p> <p>_____</p> <p>Potential quantity of total oil discharge: _____</p> <p>Date of incident: _____</p> <p>Date of discovery: _____</p>

OSLTF Checklist

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Collect source and responsible party (RP) information.

Vessel or facility name:	_____
How was source identified?	____ Visual Observation ____ Reported ____ Other _____ _____
Who identified source?	name _____ address _____
Responsible party (owner):	_____ SSN/TIN* _____ contact _____
Responsible party (operator):	name _____ address _____ _____ SSN/TIN* _____
Responsible party (other):	contact _____ name _____ address _____ SSN/TIN* _____
How was RP identified?	____ FOSC investigation ____ Report by RP ____ Report by third party _____
Who identified RP?	_____

*Social Security Number/Tax Identification Number (SSN/TIN). The Data Collection Act requires USCG to obtain the SSN or TIN of the RP in order to pursue cost recovery.

OSLTF Checklist

☐

**Estimate the OSLTF funding ceiling required.
(page 82 & 83)**

Estimated contractor costs: _____
Estimated FOSC personnel costs: _____
Estimated FOSC equipment costs: _____
Estimated TDY/travel costs: _____
Estimated miscellaneous costs: _____
Estimated OGA costs: _____
Estimated Reservist costs: _____
Total ceiling required: _____

☐

**Contact your District for FPN and authorized
ceilings. (page 79 & 89)**

Federal Project Number: _____
Authorized ceiling: _____
Funding citation(s): _____
 <i>Your DISTRICT will confirm by FAX or message and give verbal authorization.</i>

NOTE: If you are unable to reach the District, as the FOSC, you are authorized to obligate up to \$25,000 for response actions.

OSLTF Checklist

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For NPFC assistance, contact your NPFC regional case manager. (page 79)

Gulf Coast and Midwest:	Team I	(202) 493-6723
Southeast (Hampton Roads and South):	Team II	(202) 493-6726
West Coast, AK, HI:	Team III	(202) 493-6729
Northeast and Great Lakes:	Team IV	(202) 493-6732

On weekends, holidays, or after hours, you will hear recorded instructions for paging.

Assigned case officer: _____

If your regional manager is not available, page the duty case officer by calling (800) 759-7243, PIN 2073906, **OR** call the duty case officer through the CGHQ Command Center (202) 267-2100 or (800) 424-8802.

☐

Locate the proper forms for ceiling management and for documenting all costs. (pages 104 & 105)

In the *NPFC User Reference Guide*, turn to Chapter 3, Subtab Resource Documentation.

Ceiling Management Forms:

_____ For a Level I spill (estimated ceiling under \$50,000), use **CG-5136 Series, Pollution Incident Daily Resource Report – Ceiling Management & Incident Obligation Log – Short Form**

_____ For a Level II spill (estimated ceiling \$50,000-\$200,000) or Level III spill (over \$200,000), use **CG-5136F, Environmental Response Ceiling Management Form** to estimate and manage the ceiling. Record each activity as it occurs on **Daily Record Worksheets**

Daily Cost Documentation Forms (all levels):

_____ Use the appropriate **Pollution Incident Daily Resource Reports**, (CG-5136 series) to consolidate daily totals.

_____ Electronic version of CG-5136 series available on disk in Excel format from the NPFC.

OSLTF Checklist

Follow guidance in the *NPFC User Reference Guide* for use of funds and to arrange response actions. Contract through appropriate MLC (fcp) and use Pollution Removal Funding Authorizations (PRFA's) for other government agencies.

During Cleanup - Every Day

☐ **Monitor contractors. (page 105)**

_____	Collect contractor daily delivery tickets and/or Pollution Incident Daily Resource Reports .
_____	Date stamp all invoices upon receipt.
_____	Within seven days of receipt of invoices, certify that work was performed as ordered. (As FOSC, you should not certify work that was not ordered.)
_____	All invoices must be forwarded to arrive at MLC within 10 days of receipt.

☐ **Monitor Coast Guard units. (page 104)**

_____	Consolidate all daily reports for your unit onto the Pollution Incident Daily Resource Reports . This should cover all unit resources involved in removal activity.
_____	Collect Pollution Incident Daily Resource Reports or official records (i.e., aircraft utilization records and cutter navigation logs) from other Coast Guard units.

☐ **Monitor other government agencies. (page 106)**

_____	Issue Pollution Removal Funding Authorizations (PRFAs) to other federal and state agencies participating in the FOSC-directed response. (See <i>NPFC User Reference Guide</i> , Chapter 3, Resource Documentation.)
_____	Collect OGA (Other Government Agencies) SF-1080 or SF-1081 vouchers and supporting documentation in accordance with the PRFA. (See <i>NPFC User Reference Guide</i> , Chapter 3, Resource Documentation)
_____	Review SF-1080/1081 vouchers from OGAs and certify that work was performed as ordered.

OSLTF Checklist

- ☐ **Add up obligations and track them against the ceiling. (page 104)**

Use the **Ceiling Management** forms in the *NPFC User Reference Guide*, Chapter 3, Subtab Resource Documentation:

- _____ Include Type I Obligations: contracts, removal authorizations, travel orders, direct expenses.
- _____ Include Type II Obligations: **anticipated costs (estimates)** of Coast Guard resources (personnel, vehicles, aircraft, boats, cutters, and Strike Team pollution equipment) based on Coast Guard Standard Rates (See *NPFC Reference Guide*, Section 3, Resource Documentation.)
- _____ Make sure that each POLREP includes the total ceiling authorized and cumulative obligations to date. (NPFC should be an INFO ADDEE for all POLREPs.)

- ☐ **If the ceiling must be increased, contact the District in advance. (page 105)**

For example, if you have reached \$40K against a \$50K ceiling, and you expect the total costs to exceed \$50K, contact your District.

- ☐ **Contact your NPFC case officer or the MLC contracting officer, as appropriate, any time you need assistance. (Appendix A)**

After The Response Action Is Completed

- ☐ **Certify contractor invoices within ten working days of receipt of invoices. (page 107)**

OSLTF Checklist

Insure that all certification for receipt of services is in accordance with standard MLC and Finance Center procedures. (Contact appropriate MLC contracting officer if questions arise, or if invoice cannot be certified. The FOSC is certifying receipt of invoiced goods and services in quantities indicated. Costs are verified by the cognizant contracting officer.)

- ☐ **Forward certified contractor invoices to MLCLANT (fcp) or MLCPAC (fcp), as appropriate. (page 107)**
- ☐ **Keep copies of all certified contractor invoices for the unit's files.**
- ☐ **Compile an inventory of all equipment purchases.**
- ☐ **Within 120 days of completion of cleanup, send the Financial Summary report to NPFC. (page 107)**

See the *NPFC User Reference Guide*, Chapter 3, Subtab "Resource Documentation", for a description of the Financial Summary report, which includes:

_____ Incident Report; FOSC Pollution Incident Daily Resource Reports; Contractor Invoices and Daily Resource Reports; Other Government Agencies Resource Documentation (SF-1080/1081 with invoices, Daily Resource Reports, Pollution Removal Funding Authorization); Out-of-Pocket expense; Inventory of Equipment Purchased.

_____ If you are using Excel forms, DO NOT throw away the original handwritten invoices, dailies, and notes. In court, the Excel sheets may not be considered "original" documentation.

OSLTF Checklist

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HAZARDOUS SUBSTANCES FOSC FINANCIAL MANAGEMENT CHECKLIST

*(For Coast Guard FOSC financial management ONLY;
operational steps are NOT included)*

When A Release Occurs

☐ Does CERCLA apply? ____yes ____no

If you answer yes to these three questions, CERCLA probably applies.

1. Has a hazardous substance been released (or is there substantial probability that it will be released)?
2. Does this present an imminent and substantial threat to public health or welfare?
3. Is the responsible party failing to take appropriate action, or is it necessary to monitor its actions?

☐ Collect incident information. (page 89)

Name of incident:	_____
Location:	_____ _____
Latitude and longitude:	_____ _____
Type of substance:	_____ <div style="display: flex; justify-content: flex-end; margin-top: -10px;"> <div style="text-align: left; padding-right: 10px;"> <input type="checkbox"/> Visual Observation <input type="checkbox"/> Field testing <input type="checkbox"/> Lab analysis <input type="checkbox"/> Report by knowledgeable party <input type="checkbox"/> Other _____ </div> </div>
Quantity of substance:	_____
Description of substantial threat:	_____ _____ _____
Potential quantity of total release:	_____
Date of incident:	_____
Date of discovery:	_____

CERCLA Checklist

☐

Collect source and responsible party information.

Name of facility or vessel:	_____
How was source identified?	____ Visual Observation ____ Reported ____ Other _____
Who identified source?	_____
Responsible party (owner):	name _____ address _____ SSN/TIN* _____
Responsible party (operator):	_____ contact _____ name _____ address _____ SSN/TIN* _____
Responsible party (other):	_____ contact _____ name _____ address _____ SSN/TIN* _____
How was RP identified?	____ FOSC investigation ____ Report by RP ____ Report by third party _____
Who identified RP?	_____

*Social Security Number/Tax Identification Number (SSN/TIN). The Data Collection Act requires USCG to obtain the SSN or TIN of the RP in order to pursue cost recovery.

CERCLA Checklist

☐

Estimate the CERCLA funding ceiling required. (pages 89)

Estimated contractor costs: _____
Estimated FOSC personnel costs: _____
Estimated FOSC equipment costs: _____
Estimated TDY/travel costs: _____
Estimated miscellaneous costs: _____
Estimated OGA costs: _____
Estimated Reservist costs: _____
Estimate Strike Team costs: _____
Total ceiling required: _____

☐

Contact your NPFC Case Officer/Regional Manager for CPN and authorized ceilings. (pages 79 & 89)

CERCLA Project Number: _____
Authorized ceiling: _____
CPN Accounting String: _____
Document Control Construction: _____

The NPFC will confirm by message.

☐

If the estimated ceiling is equal to or greater than \$250,000, contact your NPFC Regional Manager for assistance in submitting an Action Memorandum to EPA before obligating the amount. (page 80)

☐

If the estimated ceiling is less than \$250,000, document the finding of imminent and substantial endangerment in POLREP One.

☐ **For NPFC assistance. (page 79)**

Gulf Coast and Midwest:	Team I	(202) 493-6723
Southeast (Hampton Roads and South):	Team II	(202) 493-6726
West Coast, AK, HI:	Team III	(202) 493-6729
Northeast and Great Lakes:	Team IV	(202) 493-6732

On weekends, holidays, or after hours, you will hear recorded instructions for paging.

If your regional manager is not available, page the duty case officer by calling (800) 759-7243, PIN 2073906, **OR** call the duty case officer through the CGHQ Command Center (202) 267-2100 or (800) 424-8802. **If you are not able to contact NPFC, as the FOSC you may obligate up to \$25K for response actions.**

☐ **Obtain information from your NPFC regional manager. (Appendix A)**

Assigned case officer: _____

☐ **Locate the proper forms for ceiling management and for documenting all costs. (pages 104 & 105)**

In the *NPFC User Reference Guide*, turn to Chapter 3, Subtab Resource Documentation.

Ceiling Management Forms:

_____ For all responses use **CG-5136F, Environmental Response Ceiling Management Form** to estimate and manage the ceiling. Record each activity as it occurs on **Daily Record Worksheets**.

Daily Cost Documentation Forms (all levels):

_____ Use the appropriate **Pollution Incident Daily Resource Reports** (CG-5136 series), or the Excel versions of these forms, to consolidate daily totals.

CERCLA Checklist

- ☐ **Follow guidance in the *NPFC User Reference Guide* for use of funds and to arrange response actions. Contract through appropriate MLC (fcp) and use Pollution Removal Funding Authorizations (PRFA's) for other government agencies.**

During Cleanup -- Every Day

- ☐ **Monitor contractors. (page 105)**

- _____ Collect contractor **daily delivery tickets** and/or **Pollution Incident Daily Resource Reports**.
- _____ Within seven days of receipt of invoices, certify that work was performed as ordered. (As FOSC, you should not certify work that was not ordered.)
- _____ Within seven days of receipt of invoices, certify that work was performed as ordered. (As FOSC, you should not certify work that was not ordered.)
- _____ All invoices must be forwarded to arrive at MLC within 10 days of receipt.

- ☐ **Monitor Coast Guard units. (page 104)**

- _____ Consolidate all daily reports for your unit onto the **Pollution Incident Daily Resource Reports**. This should cover all unit resources involved in removal activity.
- _____ Collect **Pollution Incident Daily Resource Reports** or official records (i.e. **aircraft utilization records** and **cutter navigation logs**) from other Coast Guard units.

- ☐ **Monitor other government agencies. (page 106)**

- _____ Issue **Pollution Removal Funding Authorizations** (PRFAs) to other federal and state agencies participating in the FOSC-directed response. (See *NPFC User Reference Guide*, Chapter 3, Resource Documentation.)
- _____ Collect OGA (Other Government Agencies) **SF-1080** or **SF-1081** vouchers and supporting documentation in accordance with the PRFA. (See *NPFC User Reference Guide*, Chapter 3, Resource Documentation.)
- _____ Review **SF-1080/1081** vouchers from OGAs and certify that work was performed as ordered.

CERCLA Checklist

☐ **Add up obligations and track them against the ceiling. (page 107)**

Use the **Ceiling Management** forms in the *NPFC User Reference Guide*, Chapter 3, Subtab Resource Documentation:

- _____ Include Type I Obligations: contracts, removal authorizations, travel orders, direct expenses...
- _____ Include Type II Obligations: **anticipated costs (estimates)** of Coast Guard resources (personnel, vehicles, aircraft, boats, cutters, and Strike Team pollution equipment) based on Coast Guard Standard Rates (See *NPFC User Reference Guide*, Section 3, Resource Documentation).
- _____ Make sure that each POLREP includes the total ceiling authorized and cumulative obligations to date. (NPFC should be an INFO ADDEE for all POLREPs.)

☐ **If the ceiling must be increased, contact the NPFC in advance. (page 105)**

For example, if you have reached \$40K against a \$50K ceiling, and you expect the total costs to exceed \$50K, contact your NPFC Case Officer.

☐ **Contact your NPFC case officer or the MLC contracting officer, as appropriate, any time you need assistance. (Appendix A)**

After the Response Action is Completed

☐ **Certify contractor invoices within ten working days of receipt of invoices. (page 107)**

Insure that all certification for receipt of services is in accordance with standard MLC and Finance Center procedures. (Contact appropriate MLC contracting officer if questions arise, or if invoice cannot be certified. The FOSC is certifying receipt of invoiced goods and services in quantities indicated. Costs are verified by the cognizant contracting officer.)

☐ **Forward certified contractor invoices to MLCLANT (fcp) or MLCPAC (fcp), as appropriate. (page 107)**

CERCLA Checklist

- ☐ **Keep copies of all certified contractor invoices for the unit's files.**
- ☐ **Compile an inventory of all equipment purchases.**
- ☐ **Within 120 days of completion of the cleanup, send the Financial Summary report to NPFC. (page 107)**

See the *NPFC User Reference Guide*, Chapter 3, Subtab Resource Documentation, for a description of the Financial Summary report, which includes:

- _____ Incident Report; FOSC Pollution Incident Daily Resource Reports; Contractor Invoices and Daily Resource Reports; Other Government Agencies Resource Documentation (SF-1080 with invoices, Daily Resource Reports, Pollution Removal Funding Authorization); Out-of-Pocket expense; Inventory of Equipment Purchased.
- _____ If you are using Excel forms, DO NOT throw away the original handwritten invoices, dailies, and notes. In court, the Excel sheets may not be considered "original" documentation.

CERCLA Checklist

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ROLES AND RESPONSIBILITIES OF PARTIES INVOLVED WITH COST DOCUMENTATION

Federal On-Scene Coordinator (FOSC). The FOSC has been delegated the authority to ensure effective and immediate removal of the discharge, mitigation or prevention of a substantial threat of a discharge of oil/hazardous substance release into U.S. surface water. The FOSC verifies whether a particular cost was incurred for removal and was consistent with the National Contingency Plan (NCP). (NPFC User Reference Guide, Chapter 3)

National Pollution Funds Center (NPFC). The NPFC manages the OSLTF which funds most federal response to discharges and threats of discharges that affect the coastal and inland waters of the U.S. NPFC services include:

- Acting as fiduciary agency for the (OSLTF) and the (CERCLA) Fund.
- Providing 24-hour funding to FOSCs for immediate removal actions at an incident, to monitor responsible party's actions, or initiate an assessment of damages to natural resources.
- Issuing a CERCLA Project Number (CPN) as requested by a FOSC.

The NPFC operates within a Case Team concept. There are four case teams: Southeast, Gulf Coast, West Coast, and Northeast. Each case team includes legal, financial, natural resource damage claims and OSLTF claims specialists. (NPFC User Reference Guide, Chapter 2 and Chapter 3)

Districts. There are nine separate Coast Guard Districts in the U.S. Each District has a Commander (m) who is responsible for issuing a Federal Project Number (FPN) and spending ceiling to the requesting FOSC for an oil pollution incident. In this capacity, the District is acting as an agent for the FOSC with the NPFC. (NPFC User Reference Guide, Chapter 3)

Roles and Responsibilities

Maintenance and Logistic Command (MLC). There are two MLCs in the Coast Guard - Atlantic (MLCLANT) and Pacific (MLCPAC). MLCs support services include:

- Providing contracting support to the FOSCs for BOA and non-BOA services, equipment, and supplies
- Maintaining Coast Guard Basic Ordering Agreements (BOAs) with response contractors
- Approving invoices for payment
- Providing training on contracting procedures

(NPFC User Reference Guide, Chapter 3)

Coast Guard Finance Center (CG FINCEN). The CG FINCEN processes the contractor and OGAs invoices. The CG FINCEN will pay all invoices for removal activities after FOSC review and MLC contracting officer approval. (NPFC User Reference Guide, Chapter 3)

National Strike Force. The NSF consists of three rapid deployment strike teams (Atlantic, Gulf, Pacific), as well as the National Strike Force Coordination Center (NSFCC), and the Public Information Assist Team (PIAT). The Mission of the National Strike Force is to assist FOSCs and Coast Guard Incident Commanders in their response and preparedness activities and to support the National Response System in order to prevent adverse impact to the public and reduce environmental damage. NSF support services include, but are not limited to:

- Providing and operating spill response equipment
- Supervising and monitoring response personnel
- Implementing site safety requirements
- Preparing cost documentation and cost reports
- Providing command, control, and communications support
- Providing public affairs specialists for information dissemination

(NPFC User Reference Guide, Chapter 2)

Roles and Responsibilities

Roles and Responsibilities

Federal Emergency Management Agency (FEMA).

FEMA is the government agency responsible for responding to major disasters. Upon occurrence of an event that results in a Presidentially-declared major disaster or emergency, FEMA may invoke the Stafford Act. This act provides for FEMA to coordinate employment of federal agencies, including the Coast Guard, and resources in support of state and local governments' disaster relief efforts. (COMDTINST 16451.1)

Other Government Agencies (OGAs). OGAs include federal agencies, other than the Coast Guard, and state, and local agencies who assist in responding to oil discharges or hazardous substance releases. (NPFC User Reference Guide, Chapter 3)

Responsible Party. The Responsible Party (RP) for a vessel or a facility is liable for removal cost and damages, including interest, resulting from their oil discharge or hazardous substance release. (NPFC User Reference Guide, Chapter 4).

Cleanup Contractors. Parties contracted by either the Coast Guard or Responsible Party to assist in removal operations of a discharged oil or hazardous substance release. The contractor is either a prime or sub-contractor. Most contractors commonly referred to as Oil Spill Removal Organizations (OSROs) have established BOAs with the CG through the MLCs. An OSRO that does not have a BOA, cannot be hired by the FOSC without contracting arrangements approved by the appropriate MLC. (NPFC User Financial Guide, Chapter 3)

WAYS TO ACCESS FEDERAL FUNDS

(OSLTF for oil; CERCLA for hazardous substances; and FRP/Stafford Act for federally declared disasters.)

OSLTF. In the event of an oil spill, the FOSC, states, claimants, and trustees can obtain access to federal funds.

OSLTF Access Criteria and Limitations:

1. **The discharge must impact or threaten navigable waters of the U.S. including the 200-mile Exclusive Economic Zone.**
 2. **The pollutant must be oil as defined by 33 USC Section 2701(23).**
 3. **Removal funding is available from the \$50 million Emergency Fund subset of OSLTF.**
 4. **Maximum of \$500,000,000 per case to remediate natural resource damages.**
 5. **Maximum of \$1 billion is available per use to pay for certain costs and damages associated with oil spills.**
- (NPFC User Reference Guide, Chapter 2 and Chapter 3)**

- The FOSC determines from a preliminary assessment of the oil spill if federal funds are required. Then the FOSC requests a Federal Project Number (FPN) and spending ceiling from the Coast Guard District Commander (m). The FOSC can fund USCG resources contracts, OGAs, state and contractor costs through the FPN. (NPFC User Reference Guide, Chapter 3)
- States can submit claims to NPFC related to removal cost, mitigation, or prevention of a substantial threat if not funded through the FOSC. States may be given direct access to the fund (up to \$250,000 per incident) with FOSC approval. (NPFC User Reference Guide, Chapter 5)
- Claimants (individuals, corporations, and government agencies) submit claims directly to the NPFC for uncompensated removal costs or damages. (NPFC User Reference Guide, Chapter 7)

Ways to Access Federal Funds

- Federal, state, and Indian tribal trustees submit claims directly to NPFC for natural resource damage assessments (NRDA) and restoration. (NPFC User Reference Guide, Chapter 6)

CERCLA (SuperFund). In the event of a hazardous substance release or imminent threat of a release, the FOSC can obtain access to federal funds through CERCLA.

CERCLA Access Criteria and Limitations:

1. The release or substantial threat of a release of a hazardous substance, pollutant, or contaminant must impact the environment. "Environment" is defined in CERCLA as waters of the U.S., other surface waters, ground water, drinking water supply, land surface or subsurface, or ambient air.
2. Removal funding is limited to no more than \$2,000,000 or 12 months duration. EPA may grant incident specific waivers to this requirement.
3. FOSCs may only obligate less than \$250,000 for an incident without an approved Action Memorandum. (See NPFC User Reference Guide, Chapter 3, Section entitled "EPA Superfund Removal Procedures-Action Memorandum Guidance.")
4. There is no provision for state access.
5. There is no provision for funding pre-assessment phase activities of NRDA.
6. Compensation to claimants damaged by hazardous substances is not available.
7. The substance must not be oil as defined by 33 USC Section 2701(23).

- The FOSC determines if federal funds are required and requests a spending ceiling and CERCLA Project Number (CPN) from the NPFC Case Officer/Regional Manager. The FOSC can fund USCG resources contracts, OGAs, and contractor costs through the CPN. (NPFC User Reference Guide, Chapter 3)

Ways to Access Federal Funds

- For all funded CERCLA responses, the FOSC must document a finding of imminent and substantial endangerment. This finding may be included in the situation description section of POLREP One. At a minimum it should include: a) the hazardous substances(s), pollutant(s), or contaminant(s); b) description of what is affected or threatened (people, animals, crops, drinking water, etc.; c) a statement containing that this situation presents an imminent and substantial threat to public health, welfare, or the environment; and d) description of the response action necessary to neutralize the threat. (NPFC User Reference Guide, Chapter 3)
- For CERCLA responses with a removal ceiling equal to or greater than \$250,000, the FOSC is required to prepare an Action Memorandum – a standard EPA document used in managing the CERCLA/Superfund. The Action Memorandum is forwarded to the Commandant (G-MOR) with a copy to the NPFC. (NPFC User Reference Guide, Chapter 3)
- CERCLA does not allow states to submit claims related to removal cost, mitigation, or prevention of a substantial threat. (NPFC User Reference Guide, Chapter 3) EPA does allow local governments to request reimbursement for certain expenses during a hazmat incident directly from EPA.
- CERCLA does not allow claimants (individuals, corporations, and government agencies) to submit claims for uncompensated removal costs or damages. (NPFC User Reference Guide, Chapter 3)
- CERCLA does not allow federal, state, and Indian tribal trustees to submit claims for pre-assessment phase activities of NRDA. (NPFC User Reference Guide, Chapter 3)

Ways to Access Federal Funds

Federal Response Plan (FRP/Stafford Act). Under the Stafford Act, when there is a Presidential declaration of a major disaster or emergency, the Coast Guard may receive direct tasking in the form of a Mission Assignment -- a work order issued by FEMA, or other designated agency, directing an agency to complete a specified task. Emergency Support Function (ESF) 10 -- Hazardous Substance Response Annex of the FRP includes both oil and hazardous substance response activities.

In execution of a mission assignment, the Coast Guard uses its own funds and resources; contracts for goods and services to complete the tasks; reviews actual expenses against estimated costs; and makes payments to Government or private vendors for all costs. Specifically:

- Coast Guard units are authorized to incur expenses based on verbal request for assistance from the authorized FEMA/ESF Primary Agency. The verbal request must be followed by a Request for Federal Assistance Form or Interagency Agreement from FEMA or the ESF Primary Agency within five business days. The Request will contain a cost ceiling.
- Upon receiving ESF Mission Assignment tasking from FEMA or other FRP-designated primary agency, the Coast Guard FOSC's responsibilities are similar to the standard response for either an oil spill or hazardous substance release.
- For oil spills, advise District and NPFC that a Request for Federal Assistance, including cost ceiling, has been received, request an FPN and proceed as normal for an OSLTF response. The Coast Guard does not seek reimbursement from FEMA for oil spill response under the FRP. However, a copy of the Request for Federal Assistance form should be included in the cost documentation forwarded to the NPFC.
- For hazardous substance incidents, advise District and NPFC that a Request for Federal Assistance, including

Ways to Access Federal Funds

cost ceiling, has been received and a request a CERCLA CPN from the NPFC to provide immediate funding.

- Coast Guard cost reimbursement is sought from FEMA, by the NPFC, for CERCLA responses under the FRP. The FOSC cost documentation package forwarded to NPFC must include a copy of the Request for Federal Assistance Form. The Coast Guard may only bill FEMA for the incremental costs of personnel, services, and material directly related to the ESF tasking.

(COMDTINST 16451.1)

FINANCIAL MANAGEMENT DURING RESPONSE OPERATIONS

The National Contingency Plan (NCP) identifies four phases (NPFC User Reference Guide, Chapter 2) of response operations for oil discharges:

I - Discovery and Notification

II - Preliminary Assessment and Initiation of Action

III - Containment, Countermeasures, Cleanup, and Disposal

IV - Documentation and Cost Recovery

Guidance for the FOSC in contracting, resource and financial management, and documentation is provided within the framework of the OSLTF and CERCLA FOSC Financial Management Checklists and the NCP response operations phases listed above.

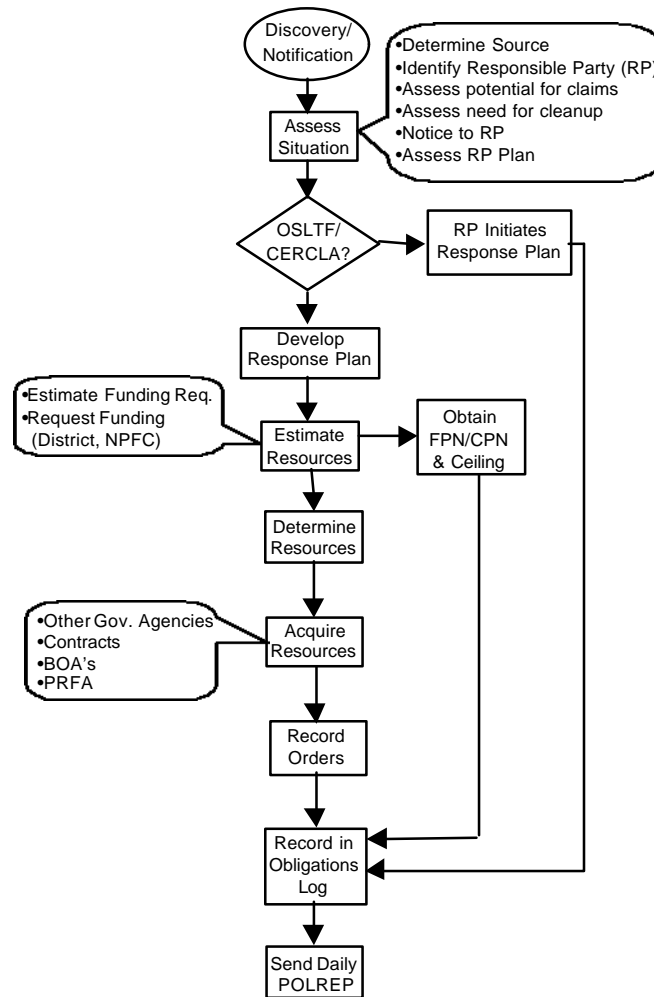
Phase I - Discovery and Notification

By law any person in charge of a vessel or facility shall immediately notify the National Response Center (1-800-424-8802) as soon as they have knowledge of any discharge from such vessel or facility. Reports may be made to the Coast Guard pre-designated FOSC for the geographical area where the discharge occurs if immediate reporting to the NRC is impractical. This phase also includes Coast Guard surveillance activities (e.g., harbor patrols, overflights) during which pollution may be discovered.

Phase II - Preliminary Assessment and Initiation of Action

The FOSC initiates a preliminary assessment of the level of the spill using available reported information and supplemented by an on-scene inspection.

Process Flow for Preliminary Assessment



Financial Management During Response

Assessment. The FOSC follows the sequence of activities depicted in the process flow diagram and summarized below:

- Investigate and assess the threat posed by the source, type, and quantity of the discharge on the public health or welfare.
- Determine whether OSLTF or CERCLA applies (see checklists) and officially classify the magnitude and severity of the discharge.
- Notify the RP (Notice of Federal Interest Letter) of potential federal response costs.
- Determine whether effective immediate removal can be carried out by the RP.
- If the RP actions are adequate, initiate monitoring activities.

(NPFC User Reference Guide, Chapter 2)

If the RP is unknown (Mystery Spill), unwilling, or unable to respond, or if the incident exceeds the capabilities of the RP or initial responders, then the FOSC:

- Initiates removal according to the NCP and ACP using available federal, state, or local resources.
- Determines whether state or local government has effective response plans and the capability to carry out any or all of the removal actions.
- Develops an Incident Action Plan in accordance with NCP and ACP to identify the resources required to respond to the spill.

(NPFC User Reference Guide, Chapter 2)

Estimate, Determine, and Acquire Resources.

The FOSC then estimates the resources required to implement the response plan and initiates funding for the removal as follows:

Financial Management During Response

- For an oil discharge, estimate initial resources required and contact the appropriate Coast Guard District Office for a Federal Project Number (FPN) and initial ceiling funding authorization. (NPFC User Reference Guide, Chapter 3)
- For a hazardous substance release, estimate initial resources required and contact the NPFC Case Officer for a CERCLA Project Number (CPN) and initial ceiling funding authorization. (NPFC User Reference Guide, Chapter 3)
- Contract for non-government resources using the Coast Guard Basic Ordering Agreements (BOAs), or other contract negotiated by the appropriate MLC. (NPFC User Reference Guide, Chapter 3)
- Provide Pollution Removal Funding Authorizations (PRFAs) to other federal, state or local government agencies to fund resources to carry out removal actions (NPFC User Reference Guide, Chapter 3)
- Ensure prompt notification of the Trustees of affected natural resources.

Tracking and Accounting for Procured Property.

FOSCs should only purchase property with OSLTF or CERCLA funds during a response operation when:

1. Dictated by operational necessity
2. The property is directly related to the removal
3. Purchase is clearly more beneficial to the government than leasing.

Except under unusually urgent situations, the FOSC should first notify the NPFC Regional Manager that OSLTF or CERCLA funds are being used to acquire property. Documentation of the factors considered is critical in cost recovery and litigation efforts. FOSCs should be aware that property purchased for removal activities is billed to the RP at 100% of the cost.

Financial Management During Response

NOTE: Items purchased with OSLTF or CERCLA funds become the property of the OSLTF or CERCLA not the USCG. (NPFC User Reference Guide, Chapter 3)

Determining Removal Costs. The responsible party is liable for "all removal costs" incurred by the government that result from the RP's oil spill incident. The FOSC verifies whether a particular cost was incurred for removal and was consistent with the National Contingency Plan. (NPFC User Reference Guide, Chapter 3)

Basic Criteria for Removal Costs -

- **Cost item must result from an oil spill incident: a discharge or substantial threat of discharge of oil, into or upon navigable waters or adjoining shorelines of the United States.**
- **The response activities charged as removal costs must be consistent with the National Contingency Plan.**
- **The responsible party is encouraged to cleanup the spill as the preferred course of action.**

Determining Phase I Costs – Discovery activities (e.g., harbor patrols, overflights) during which a pollution incident is “discovered” by Coast Guard personnel, are not chargeable to the OSLTF or CERCLA. Costs incurred by the FOSC in notifying the appropriate federal, state and local officials of an oil discharge or hazardous substance release are chargeable. (NPFC User Reference Guide, Chapter 3)

Determining Phase II Costs – activities are eligible for funding from the OSLTF and CERCLA. Note that the NPFC should be notified during this phase of the potential for natural resource damage claims. This will trigger early designation of the RP for these claims. Examples of costs eligible for direct charge to OSLTF or CERCLA are:

- Temporary duty per diem, travel, and transportation for government response and monitoring personnel.
- Contractor costs (drilling test wells, performing hydrological surveys, cleanup services).

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- Consumables or services specifically purchased during the response (sorbents, supplies, incident-specific vehicle and equipment lease/rental).
- Replacement, repair, renovation or cleaning of equipment.
- Long distance telephone charges.
- Cost of transporting and staging of required supplies and equipment.
- Cost of sampling and analysis to verify the source of the spill and nature of the spilled substance.
- USCG Reservist and Auxiliarist orders.
- Government personnel wages for response/monitoring assigned at standard rates.
- Government vehicles, boats, aircraft use at standard costs.
- Government or leased communications systems (paging, cellular phones, facsimile equipment) are charged at standard rates plus any identifiable direct cost.

NOTE: While assessment phase costs are chargeable to the OSLTF or CERCLA, they may not be charged to the responsible party depending on circumstances. Therefore, FOSCs should not advise RPs about whether certain charges will or will not be billed.

(NPFC User Reference Guide, Chapter 3)

Determining Phase III Costs – These activities and the associated removal costs are considered the traditional cleanup activities. The FOSC only conducts those activities necessary to monitor and ensure that the RP takes proper action for immediate and effective removal. When the RP is unknown, fails to perform, or cannot respond in a timely manner, the FOSC assumes responsibility for removal. Costs incurred in this phase are eligible for funding subject to ceiling. Examples of costs eligible for charge to the OSLTF or CERCLA for Phase III removal activities include in addition to those listed for Phase II:

- All Phase II eligible costs.

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- Contract for cleanup labor and disposal of discharge.
- Government equipment inventory used at standard costs.
- Contract for diving when necessary to control the source or spread of oil or conduct salvage operations.
- Government or leased facility use, such as office space at standard cost, mobile command post lease.
- PFRAs to U.S. Fish & Wildlife Service for capturing, cleaning and emergency care for oiled animals; e.g., birds or disposing of dead animals.
- Rental/purchase of fencing, barricades, and security material.
- Procurement (lease, rent or purchase) of equipment (e.g., boom, skimmers, transfer systems, pumping systems, dracones, vapor analyzers, gas indicators, protective gear).
- Replacement of oiled equipment and property that cannot be cleaned cost-effectively.
- Decontamination of oiled equipment.
- Replacement of excavated soils.
- Repair of damages directly caused by cleanup activities, such as damage to lawns by vehicles.
- Contract for temporary docking of salvaged vessel.
- Purchase of alternative drinking water supplies for the public affected by contaminated drinking water.
- Contract for temporary lodging and feeding for evacuees.

(NPFC User Reference Guide, Chapter 3)

Determining Phase IV Costs – activities are eligible for funding from OSLTF or CERCLA to the extent they can be identified with and attributed to the incident. Examples include:

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- Temporary duty per diem, travel, and transportation for Government response and monitoring personnel.
- USCG Reservist orders.
- Government and personnel services.
- Government and leased facility use -- office space.
- Warehousing/storage services (costs to store records & samples)
- Contract clerical and documentation services.
- Government or leased communications systems (paging, cellular phones, facsimile equipment) are charged at standard rates plus any identifiable direct cost.

(NPFC User Reference Guide, Chapter 3)

OSLTF Specific Removal Cost Issues And Limitations.

Groundwater Contamination – Removal costs may be incurred to respond to oil discharges in groundwater which are tributary to surface waters of the United States. However, the FOSC must have reasonable basis to conclude that there is a clear hydrological connection to surface waters before taking action.

Multi-Mission – The federal response may include search and rescue (SAR), law enforcement, safety of navigation, port safety or security, in addition to marine pollution response. However, only those actions whose primary purpose is removal, (i.e., the containment or removal of oil pollution or necessary to minimize or mitigate oil pollution damage to the public health and welfare or the environment) and which are consistent with the NCP, may be paid or reimbursed by the OSLTF.

Substantial Threats of Discharge – The OSLTF may be used to respond to a substantial threat of discharge to prevent, minimize, or mitigate oil pollution from an incident such as oil contaminated abandoned barges.

Financial Management During Response

Acquisition of Property Items – OSLTF may be used when operational necessity dictates and the costs are directly related to removal or when purchase is clearly more beneficial than leasing. Non-consumable items or systems costing more than \$1,000 or items of high interest must be disposed through the closest Defense Reutilization Marketing Office (DRMO). Items meeting the requirements for capitalization may be charged to the OSLTF, but the amount charged is based on the appropriate standard cost or allocation of acquisition cost to the useful life. Purchase of major property items (land, buildings, structures) must be coordinated with the NPFC Regional Manager to ensure proper financial planning and analysis.

Replenishment of Inventory – The OSLTF may be used to return equipment to inventory after the response in the same condition it was before the response. Items used up in the response or damaged beyond economical repair may be replaced.

Spills from Federal Vessels or Facilities – The federal agency whose vessel or facility spilled is responsible under the NCP for funding and handling its own cleanups. However, the OSLTF is still available to FOSCs to cleanup or prevent oil discharges as a last resort. When a responsible agency is capable of funding the cleanup, the FOSC should attempt to establish a Military Interdepartmental Purchase Request (MIPR) or similar reimbursable agreement to establish direct funding of the removal activities from the responsible federal agency.

Spills Involving Both Removal Costs and Potential Claims - Coordinate with the NPFC Case Officer when there are overlaps between removal costs and damages to select the most cost effective approach to removal and compensation of damages.

Research and Development (R&D) – The FOSC cannot authorize expenditures from the OSLTF for R&D during an incident. The FOSC may permit R&D to be conducted on a "spill of opportunity" to examine new or novel methods of

Financial Management During Response

cleanup, but the R&D must be underwritten with appropriate R&D funds.

Use of State and Local Resources – From the outset, the FOSC should establish whether state or local resources are necessary for removal actions for an incident. The Incident Action Plan should be used to define the scope of expected state or local actions and allow the NPFC to make decisions on potential claims. When a state/local agency responds to a spill, a PRFA should be executed to ensure they are reimbursed for specific work performed at the FOSC's request. If a state/local agency has properly coordinated a response with the pre-designated FOSC and conducts oil spill removal actions consistent with the NCP, then the state/local agency is eligible for reimbursement of removal costs.

Oil Wells/Pits/Facilities – The OSLTF is available for removal of oil discharged, or substantial threat of a discharge, from "abandoned" wells, pits, and related facilities (refineries and storage tanks). The FOSC should attempt to identify the responsible party. The costs of services incurred to aid the FOSC in RP identification and removal of the substantial threat may be charged to the OSLTF as removal costs.

Site Remediation – Discharges from storage tanks, oil wells or related facilities often cause extensive subsurface or groundwater contamination. When underground contamination has migrated so as to cause an actual surface discharge or substantial threat of discharge into navigable waters, the OSLTF may be used for removal.

(NPFC User Reference Guide, Chapter 3)

Contracting for Resources.

There are two means available to the FOSC to contract for services, supplies and equipment to cleanup and/or mitigate the harmful effects of spilled petroleum products and hazardous substances: (1) Basic Ordering Agreement (BOA), or (2) non-BOA purchase order/contract.

BOA - A BOA is a written understanding negotiated between a Coast Guard Contracting Officer and a contractor and is the preferred method of contracting for oil spill cleanup. The contractor is on-call 24-hours a day, 365 days a year and usually has to respond on short notice. BOAs are **strictly for emergency use**.

- Task orders **cannot be issued** against a BOA **solely for replenishment** of booms, sorbent pads, or routine work except during an actual response incident. (NPFC User Reference Guide, Chapter 3)
- Before purchasing any services, supplies, or equipment from a BOA contractor that is not listed on a BOA contract, contact the appropriate MLC contracting officer.

When a spill occurs FOSCs may verbally authorize a BOA contractor to commence response efforts at a cost not to exceed \$25K. (NPFC User Reference Guide, Chapter 3)

FOR USE WITH MLCLANT ONLY

ATP – Authorization To Proceed

Written documentation to proceed between FOSC and MLC to authorize the use of BOA contractors. It should include:

- Federal Project Number and ceiling
 - BOA number
 - Maximum dollar value of ATP
 - Reason for Selection
 - Location of work
 - Contractor's name
 - Date
- (NPFC User Reference Guide, Chapter 3)

- **MLCLANT.** FOSCs will document verbal authorization by sending a message on the Authorization to Proceed (ATP) for contracts up to \$25,000 to the MLCLANT (fcp) within 24 hours. The MLCLANT (fcp) will issue the task order to the contractor. **If cleanup services will exceed \$25K, then the FOSC cannot hire a contractor directly but must contact the MLCLANT, who will hire the contractor. The Contracting Officer then issues a delivery order against the existing BOA. (NPFC User Reference Guide, Chapter 3)**
- **MLCPAC.** FOSCs are authorized to issue task orders directly to BOA contractors for up to \$50K with a copy to MLCPAC (fcp) and all supporting competition documentation required by CGAP Subchapter 1217.9203 within 3 days -- No ATP required. (NPFC User Reference Guide, Chapter 3) **If the cleanup services will exceed \$50K, then the FOSC cannot hire a contractor directly but must contact the appropriate MLC, who will hire the contractor. The Contracting Officer then issues a delivery order against the existing BOA. (NPFC User Reference Guide, Chapter 3)**

When deciding whether to hire BOA contractors, refer to the Standard Operating Procedures in Appendix F.

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Non-BOA - The FOSC can request the MLC Contracting Officer to place a purchase order when a non-BOA contractor is required for cleanup services. The FOSC provides a purchase request with the company name(s) and point(s) of contact (and sole source documentation, if applicable) for any firm that can perform the required cleanup in the required timeframe. The MLC Contracting Officer executes a purchase order or contract to hire the contractor to perform cleanup services. (NPFC User Reference Guide, Chapter 3)

- When the MLC Contracting Officer cannot be contacted in a timely manner, a FOSC can issue a non-BOA order for up to \$25K. (NPFC User Reference Guide, Chapter 3)
- A FOSC can issue a purchase order (or place a credit card order if they can get a credit card issued with the incident specific accounting data) up to \$2500. (NPFC User Reference Guide, Chapter 3)
- If a particular non-BOA contractor is critical to the response but declines to accept a standard ordering agreement, refer the issue to the MLC contracting officer immediately.

For additional assistance in contracting non-BOA resources, contact the appropriate MLC Contracting Officer.

(Coast Guard Acquisition Procedures, COMDTINST M4200-19E-Subchapter 1217.9200)

Phase III - Containment, Countermeasures, Cleanup, and Disposal

In response to an incident, the FOSC may establish a command post, set up communications, and stage equipment at support bases.

Resource Deployment. The Coast Guard personnel and services ordered (usually under BOA delivery orders) are deployed on-site to cleanup the oil spill. The FOSC assigns the Coast Guard personnel, contractors hired by the Coast Guard, and Other Government Agency personnel to the cleanup

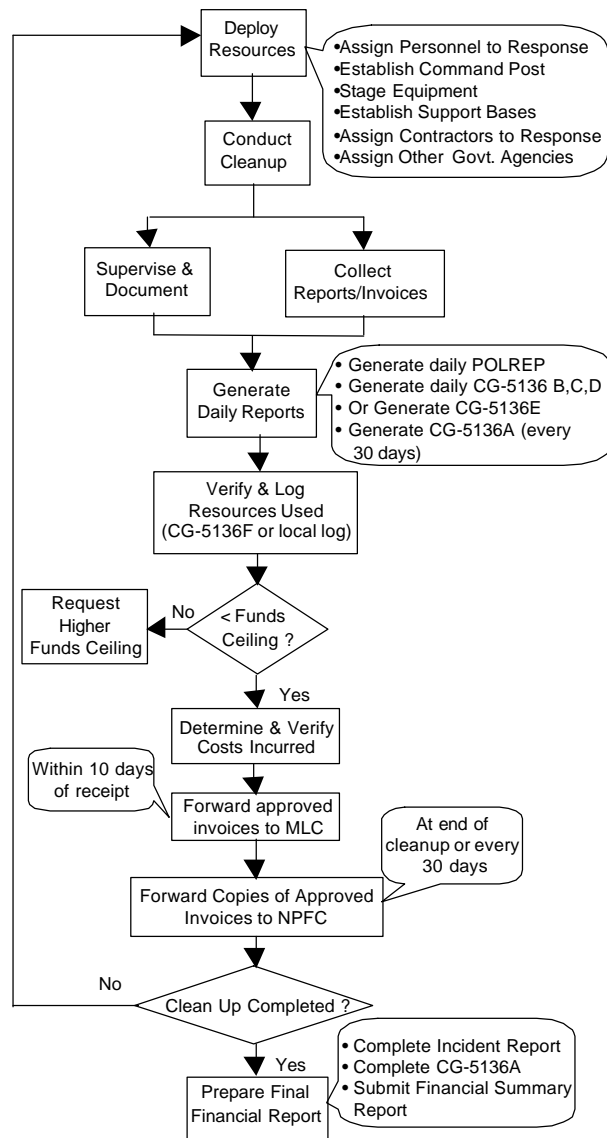
Financial Management During Response

operations. The FOSC supervises and monitors all response operations and documents USCG resource utilization daily.

Cleanup Operations. During cleanup operations all response activities by the RP and/or the FOSC, are implemented and continued until the FOSC determines that the cleanup is complete. During cleanup activities, the FOSC collects invoices and daily reports submitted by the USCG hired contractors and resource reports (SF-1080/1081) and daily reports submitted by Other Government Agencies (OGAs). This is typically performed by the Finance Section in the Incident Command for large spills. **NOTE: In most incidents, contractors only submit an invoice at the end of the spill. Contractor reports are submitted daily.** Daily reports, USCG hired contractor invoices, and SF-1080/1081s are certified and sent to the appropriate MLC. OGA invoices under PRFAs and OGA SF-1080/1081s are sent to CG FINCEN for payment and to NPFC which bills the RP. (NPFC User Reference Guide, Chapter 3)

Ceiling Monitoring. The FOSC takes the daily resource reports and logs the resources utilized on the CG-5136F or local equivalent electronic form and compares resources utilized to the NPFC authorized funds ceiling. If the funds ceiling is close to being breached, the FOSC notifies the Coast Guard District, NPFC, and the appropriate Maintenance and Logistics Center (MLC) in a message that a higher funds ceiling is needed.

FOSC Financial Management Documentation Flow Process



Phase IV - Documentation and Cost Recovery

All users of the OSLTF and CERCLA are required to maintain detailed records for all costs incurred in an oil spill or hazardous substance release incident. The FOSC is responsible for collecting documentation for all incidents for which costs are incurred. The documentation process flow diagram describes the functions for financial documentation and cost recovery. The following are the required documents:

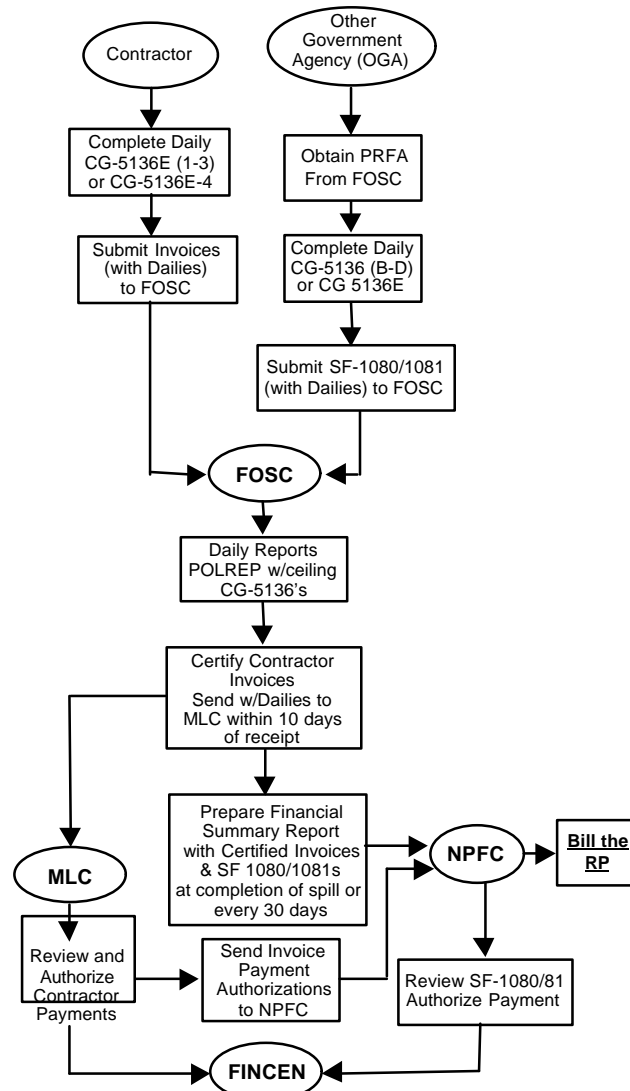
POLREP. In this message the FOSC identifies the following financial management information.

- Approved project ceiling amount.
- Cumulative USCG, OGA, and contractor obligations to date.
- Name of all known vessels and/or facilities involved.
- Source of the discharge or potential discharge, if known.
- Responsible party, if known.
- Location and date of the discharge, or release.
- Identification of the body of water impacted or threatened.
- Cleanup contractors selected, if any.
- Distribution of funds between contractor costs and all other costs.

All POLREPs, ceiling messages, or other messages related to the incident where the OSLTF or CERCLA has been accessed must include the FOSC, NPFC, appropriate MLC, and CG FINCEN as INFO addresses. (NPFC User Reference Guide, Chapter 3)

The FOSC must ensure that obligations from the OSLTF or CERCLA Fund remain within the ceiling. If necessary, the FOSC must promptly request increased ceiling authorizations from the Coast Guard District Commander for OSLTF incidents or the NPFC Case Officer for CERCLA incidents. (NPFC User Reference Guide, Chapter 3)

Documentation and Cost Recovery Process Flow



Ceiling Management & Incident Obligation Log.

The FOSC uses the CG-5136F Ceiling Management and Incident Obligation Log to record changes to the ceiling and obligations incurred daily throughout an oil spill or hazardous substance response with a ceiling greater than \$25,000. The CG-5136F was designed to assist the FOSC in monitoring the Authorized Project Ceiling and compute Cumulative Obligations against an FPN during an incident. The CG-5136F and its associated worksheets are available electronically as Excel spreadsheets and may be obtained on disk from the NPFC Regional Manager. The CG-5136F-1 Short Form may be used for oil or hazardous substance responses with a ceiling of \$25,000 or less. (NPFC User Reference Guide, Chapter 3)

Ceiling Management vs. Cost Documentation.

- **The difference between ceiling management and cost documentation is timing and precision. Ceiling management is done when a decision is made before the action is taken and the precise cost of the action is not known.**
- **Cost documentation takes place as soon as precise costs are known, which is usually after the action has taken place. (NPFC User Reference Guide, Chapter 3)**

There are two categories of obligations within ceiling management.

- ***Type I*** – Consists of contracts, pollution removal funding authorizations (PRFAs), travel orders (TONOs), direct expenses which involve obligation by the FOSC or contracting officer paid for by the CG FINCEN.
- ***Type II*** – Consists of anticipated cost of Coast Guard resources utilized during an incident (personnel, vehicles aircraft, boats, cutters, and Strike Team equipment). *Type II* obligations should be based on rates published in the Coast Guard Standard Rates Instruction (COMDTINST 7310.1 Series). However, these obligations may be estimates. (NPFC User Reference Guide, Chapter 3)

NPFC Instruction 16451.2 - Technical Operating Procedures for Resource Documentation

- Provides instructions for completion of all required resource documentation forms and reports.
- Provides for Electronic Forms to be submitted in lieu of paper.
- Provides a sample FOSC Financial Summary Report.

FOSC Daily Resource Documentation. The FOSC is responsible for generating Pollution Daily Resource Reports to document resource utilization of Coast Guard personnel, equipment, and other resources used during an oil or hazardous substance response. These reports include:

CG-5136A -- Pollution Daily Resource Report **Summary Sheet** – documents all government costs for responses with a ceiling of \$25,000 or less completed at the end of removal activities. If the ceiling is greater than \$25,000, and the response extends beyond 30 days, the form is completed every 30-days. (NPFC User Reference Guide, Chapter 3)

CG-5136B -- the Pollution Daily Resource Report -- Documents Government **Personnel costs** and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

CG-5136C -- the Pollution Daily Resource Report -- Documents **Government Equipment costs** and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

CG-5136D -- the Pollution Daily Resource Report -- Documents **Government Purchases/Expendables/Travel Orders/Contractors/Other Government Agencies**, and is completed daily for all incidents (NPFC User Reference Guide, Chapter 3)

CG-5136E -- the Pollution Daily Resource Report -- **Short Form** may be used in lieu of CG-5136 (B-D) and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

Contractor Resource Documentation. The contractor is responsible for filling out and submitting to the FOSC for review and approval the following forms each day of removal activity:

Financial Management During Response

CG-5136E-1 -- the Pollution Daily Resource Report -- Documents **Contractor Personnel costs** and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

CG-5136E-2 -- the Pollution Daily Resource Report -- Documents **Contractor Equipment** and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

CG-5136E-3 -- the Pollution Daily Resource Report -- Documents Contractor/Subcontractor **Materials/Other Expenses** and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

CG-5136E-4 -- the Pollution Daily Resource Report -- Short Form may be used in lieu of CG-5136E (2-3) and is completed daily for all incidents. (NPFC User Reference Guide, Chapter 3)

Contractors may use their own in-house invoices to bill for removal activities that are prepared from the forms described above. In addition to the daily forms, invoices must be submitted to the FOSC at the end of the incident or every 30 days for extended duration incidents with ceilings over \$25,000.

Other Government Agencies (OGAs) Resource Documentation - PRFAs. The Pollution Removal Funding Authorizations (PRFAs) are tools available to the FOSC to quickly obtain needed services and assistance from OGAs. There are two types of PRFAs forms: one for federal agencies and one for non-federal agencies. (The PRFA commits the OSLTF or CERCLA to payment by reimbursement of costs incurred in pollution response activities by OGAs. The OGAs complete the CG-5136 (A-E) forms. Completed forms are submitted to the FOSC for approval and transmission to the NPFC for payment. See text box for limitations on use of PRFA. (NPFC User Reference Guide, Chapter 3)

LIMITATIONS ON USE OF PRFAs

- **May not be used to obtain goods or services from private individuals, groups, or companies.**
 - **May not be used to obligate funds for preassessment phase activities in the initiation of Natural Resources Damage Assessments, further assessment actions or payment of damages.**
- (NPFC User Reference Guide, Chapter 3)

FOSC's Financial Summary Report. This report addresses the necessary information for cost recovery. It is submitted to the NPFC within 120 days of the end of an incident. It includes the following components in the order listed:

NOTE: If a case is expected to last for several months, an interim Financial Summary Report must be submitted at 30-day intervals. (NPFC User Reference Guide, Chapter 3)

Incident Report and Transmittal. The Incident Report and Transmittal serves two purposes: (1) it serves as a transmittal form (cover letter) to forward the FOSC's Financial Summary Report to the NPFC and (2) it provides case-related information on the pollution incident. The FOSC prepares and submits the Incident Report and appropriate enclosures within 120-days after completion of removal activities. (NPFC User Reference Guide, Chapter 3)

FOSC Pollution Incident Daily Resource Reports – Provide Coast Guard cost documentation in addition to the CG-5136 (A-E) series daily reports. The FOSC is responsible for obtaining copies of resource reports used by Coast Guard units, including: air station (CG-4377), aircraft bluesheets, and small boat unit cutter logs. (NPFC User Reference Guide, Chapter 3)

Copies of Certified Contractor Invoices - Include the contractor invoices and note any exceptions or exclusions. ***Do not send the contractor dailies to the NPFC.*** All contractor invoices must be date stamped upon receipt by the FOSC and forwarded to the MLC with appropriate justification within 10 calendar days. ***Do not send original invoices to NPFC.*** (NPFC User Reference Guide, Chapter 3)

Other Government Agencies Resources Documentation - Include federal agencies SF-1080/1081 with invoices. Daily Resource Reports, and the PRFA in the Financial Summary Report. (NPFC User Reference Guide, Chapter 3)

Financial Management During Response

Out of Pocket Expenses - If the Coast Guard unit incurred any out-of-pocket expenses, these expenses must be substantiated by attached documentation providing a clear audit trail and marked as "Out of Pocket Expenses". (NPFC User Reference Guide, Chapter 3)

Abbreviated FOSC Financial Report. For mystery spills without an identifiable responsible party where costs are less than \$25,000, the FOSC can use the following abbreviated Financial Reporting procedures:

Abbreviated Financial Reporting is expected to eliminate formal financial reports for 70% of Mystery Spills involving only Coast Guard resources and contractor costs.

Direct OSLTF Costs - provide the NPFC case officer with planned obligation amounts for contracts, purchases, travel orders, PRFAs issued, and other expenses in the final incident POLREP. (NPFC User Reference Guide, Chapter 3)

Indirect Expenditures - provide the NPFC case officer with a summary of resources employed with a line item for each resource category as shown in Standard Rates Instruction (COMDTINST 7310.1) in the final incident POLREP. (NPFC User Reference Guide, Chapter 3)

AUTOMATED TOOLS

Resource Documentation. FOSCs are required to use the NPFC CG-5136 (A-E) forms to streamline the resource documentation process.

The Microsoft Excel-based (Excel) automated CG-5136 series, available on disk from NPFC, is recommended for documenting spill related costs and other financial management outputs. The NPFC also maintains copies of these forms, which can be downloaded for printing, at its website: <http://www.npfc.gov>

LUFS. The Commandant (G-CFS) has mandated that all obligations must be entered in LUFS, including OSLTF and CERCLA obligations. Before entering obligations in LUFS, ensure that the local LUFS System Manager has set up LUFS by using the correct accounting string, FPN/CPN, and object codes. LUFS facilitates maintenance of a Document Control Log to track purchase obligations.

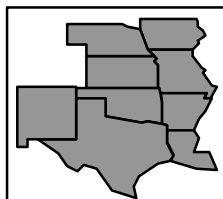
NOTE: LUFS does not accept non-purchase obligations; for example, civilian overtime costs, medical care, vehicles, boats, cutters, aircraft, or specialized pollution removal equipment.

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APPENDICES

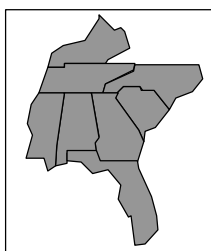
APPENDIX A – KEY CONTACTS

OSLTF NPFC Regional Case Management Teams



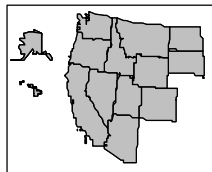
TEAM I – Call 202-493-6723

Responsible for most of CGD8 and EPA Regions VI, and VII. Does not include CGD8 Memphis, Paducah, Louisville, Huntington, and Pittsburgh COTP zones.



TEAM II – Call 202-493-6726

Responsible for CGD7, portions of CGD5 and CGD8; EPA Regions II (Caribbean Section) and IV. Includes CGD8 Memphis, Paducah, Louisville, Huntington, and Pittsburgh COTP zones; CGD5 Hampton Roads and Wilmington COTP zones; Virgin Islands, Puerto Rico, Virginia (Hampton Roads zone only), and Pennsylvania (MSO Pittsburgh zone only).



TEAM III – Call 202-493-6729

Responsible for CGD11, CGD13, CGD14, CGD17, and EPA Regions VIII, IX, and X.



TEAM IV – Call 202-493-6732

Responsible for CGD1, CGD9, portions of CGD5, and EPA Regions I, II, III, and V. Includes CGD5 COTP Philadelphia and Baltimore zones. Does not include COTP Hampton Roads or Pittsburgh zones).

CERCLA Project Number (CPN) Contacts

(202) 493-6805

(800) 759-7243 PIN 2073906

Maintenance & Logistics Commands (fcp)

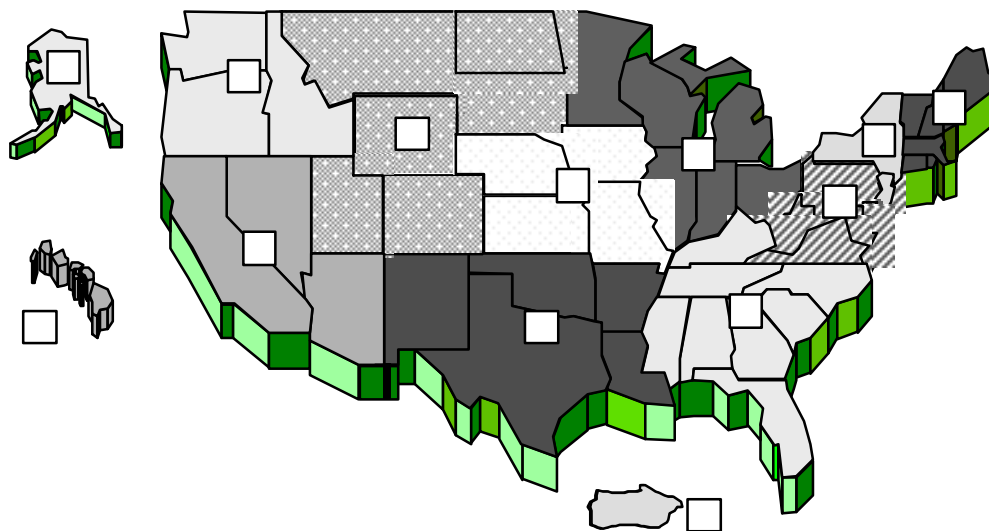
MLCLANT (757) 628-4107

MLCPAC (11th & 12th Districts: (510) 437-3010

(13th & 14th Districts: (510) 437-3009

After Hours: (510) 437-3700

U.S. EPA Region Map

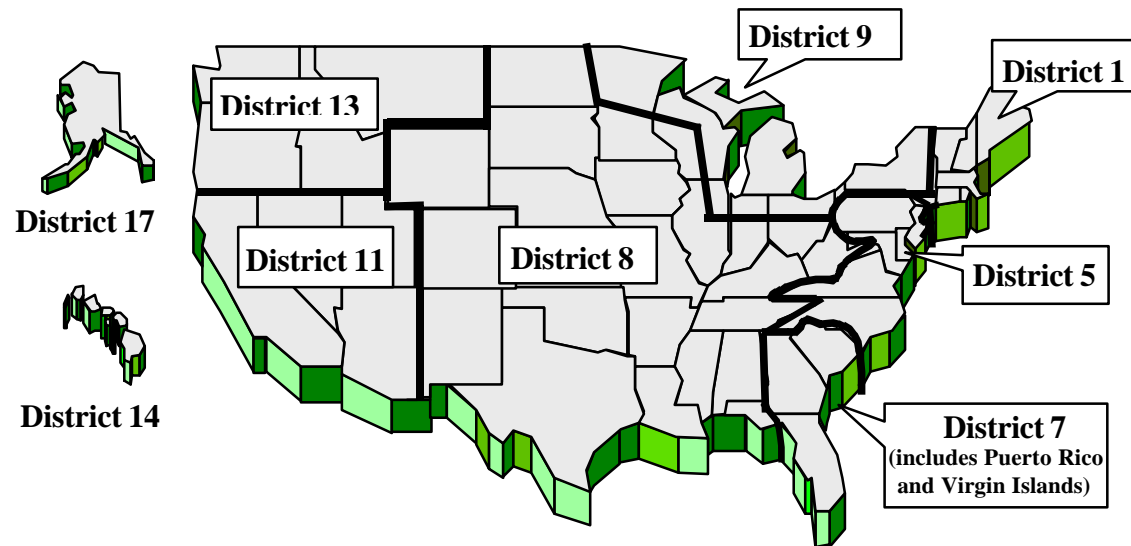


APPENDIX A – KEY CONTACTS

U.S. COAST GUARD DISTRICT CONTACTS FOR FEDERAL PROJECT NUMBER (FPN)

1 st District	(617) 223-8130	Each MSO/COTP in the District are issued FPNs for the Fiscal Year.
5 th District	(757) 398-6333	Command Center
7 th District	(305) 536-5651	Command Center
8 th District	(504) 589-6225	OPCEN
9 th District	(216) 902-6117	OPCEN
11 th District	(510) 437-3700	OPCEN
13 th District	(206) 220-7001	Communications Center
14 th District	(808) 541-2500	OPCEN
17 th District	(907) 463-2000	OPCEN

U.S. Coast Guard Districts



APPENDIX A – KEY CONTACTS

NATIONAL STRIKE FORCE AND TEAMS

National Strike Force Coordination Center

1461 North Road Street
Elizabeth City, NC 27909
(252) 331-6000 (919) 331-6012/6013 (Fax)

Gulf Strike Team

USCG ATC
Mobile, AL 36608-9690
(334) 441-6601 (334) 441-6010 (Fax)

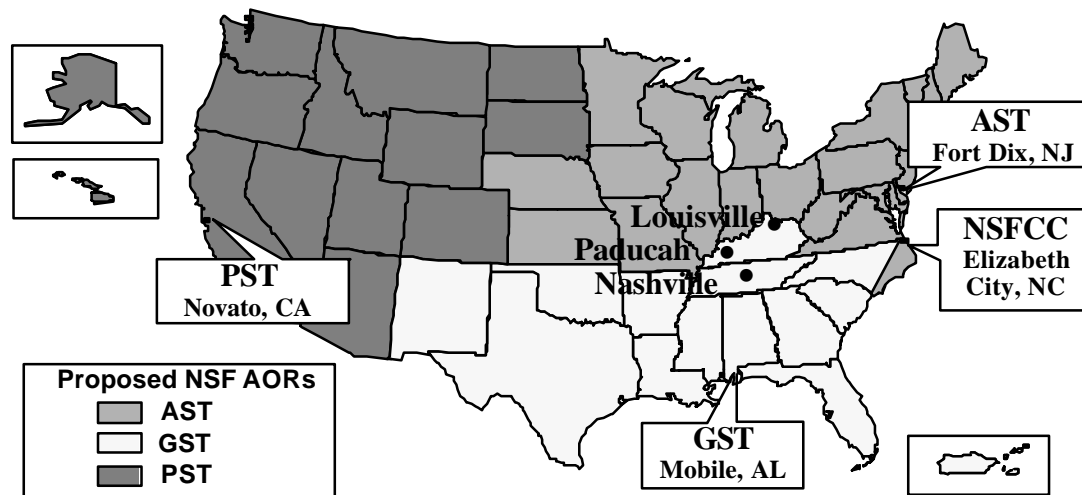
Pacific Strike Team

Hangar 2, Hamilton Field
Novato, CA 94949
(415) 883-3311 (415) 883-7814 (Fax)

Atlantic Strike Team

5614 Doughboy Loop
Fort Dix, NJ 08640-0068
(609) 724-0008 (609) 724-0232 (Fax)

National Strike Force



APPENDIX B – FPN ACCOUNTING STRINGS

FPN ACCOUNTING STRINGS FOR OIL SPILLS & CLAIMS TO BE USED BY ALL “CG” UNITS

FORMAT:

X / X / XX / XXX / XX / X / XXXXXX / XXXXX / XXXX
(1) (2) (3) (4) (5) (6) (7) (8) (9)

- | | | | |
|-----|--|----------|--|
| (1) | Agency | 1-digit | 2=Coast Guard |
| (2) | District/Region | 1 digit | H=HQ (Emergency fund always uses H) |
| (3) | Appropriation | 2-digits | SZ=Emergency Fund
SX=Claims |
| (4) | Appropriation
Code Limitation
(LIM Code) | 3-digits | Position #1: 1=direct funds
Position #2 & #3=ATU of FOOSC's
district (NPFC User Reference
Guide, Chapter 3). |
| (5) | Allotment Fund
Control (AFC) | 2 digits | 95=OPA 90 (Emergency Fund &
Claims) |
| (6) | Allotment Level
Indicator (ALI) | 1-digit | This field is not used by the CG
and will always be 0. |
| (7) | Program Element | 6-digits | Federal Project Number |
| (8) | Cost Center | 5-digits | The OPFAC # of the FOOSC who is
accessing the Emergency Fund. |
| | | | <i>Note: When the EPA is the FOOSC,
the OPFAC # will be the
appropriate CG District office
having oversight. (NPFC User
Reference Guide, Chapter 3).</i> |
| (9) | Object Class | 4-digits | The first two digits are assigned
by OMB. The last two are
assigned by the Coast Guard.
(NPFC User Reference Guide,
Chapter 3). |

APPENDIX C – CERCLA ACCOUNTING STRINGS

CPN ACCOUNTING STRINGS FOR CERCLA CASES (SPECIAL REIMBURSABLE ACCOUNTS) *Coordinated with the NPFC*

FORMAT:

X / X / XXX / XXX / XX / X / XXXXXXX / XXXXX / XXXX
(1) (2) (3) (4) (5) (6) (7) (8) (9)

- | | | |
|--|----------|--|
| (1) Agency | 1-digit | 2=Coast Guard |
| (2) District/Region | 1 digit | H=HQ (CERCLA always uses H) |
| (3) Appropriation | 3-digits | Last digit of current FY +
01=operating expense (OE
Appropriation) |
| (4) Appropriation
Code Limitation
(LIM Code) | 3-digits | Position #1: 8=reimbursable
account
Position #2 & #3=72 always
(ATU for NPFC) |
| (5) Allotment Fund
Control (AFC) | 2 digits | 80=generic reimbursable account |
| (6) Allotment Level
Indicator (ALI) | 1-digit | This field is not used by the CG
and will always be 0. |
| (7) Program Element | 6-digits | CERCLA case number. Applies to
NPFC assigned case number. |
| (8) Cost Center | 5-digits | The OPFAC # of the FOSC who is
accessing the special
reimbursable account. |
| (9) Object Class | 4-digits | (NPFC User Reference Guide,
Chapter 3). |

Additional Information: In a text block on the commitment and obligating documents, write "EPA Reimbursable Agreement "XXXXXX" using the 6-digit CERCLA case number as the agreement identifier."

APPENDIX D - BIBLIOGRAPHY

NPFC User Reference Guide, US Coast Guard, January
1997, Arlington, VA

Coast Guard Acquisition Procedures, COMMANDANT
INSTRUCTION M4200-19E – Subchapter
1217.9200, U.S. Coast Guard, Washington D.C.

COMMANDANT INSTRUCTION 16451.1, Disaster
Related Pollution Response Activities Under the
Federal Response Plan (FRP) and Cost
Reimbursement From the Stafford Act -- U.S.
Coast Guard, Washington, D.C.

Coast Guard Acquisition Procedures, COMMANDANT
INSTRUCTION M4200-19E – Subchapter
1217.9203, U.S. Coast Guard, Washington, D.C.

COMMANDANT INSTRUCTION 7310.1 Series,
Standard Rates, U.S. Coast Guard, Washington, D.C.

APPENDIX E- ACRONYMS

ACP	Area Contingency Plan
AST	USCG Atlantic Strike Team - Ft. Dix, NJ
BOA	Basic Ordering Agreement
CERCLA	Comprehensive Environmental Response Compensation and Liability Act of 1980
CGAP	Coast Guard Acquisition Procedures
CPN	CERCLA Project Number
CWA	Clean Water Act
DRMO	Defense Reutilization Marketing Office
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
FINCEN	Coast Guard Finance Center
FOSC	Federal On-Scene Coordinator
FPN	Federal Project Number
FWPCA	Federal Water Pollution Control Act
GST	USCG Gulf Strike Team - Mobile, Alabama
ICS	Incident Command System
LUFS	Large Unit Financial System
MIPR	Military Interdepartmental Purchase Request
MLCLANT	USCG Maintenance and Logistics Command, Atlantic
MLCPAC	USCG Maintenance and Logistics Command, Pacific
MSO	USCG Marine Safety Office
NPFC	National Pollution Funds Center
NRDA	Natural Resource Damage Assessment
NRT	National Response Team
NSF	USCG National Strike Force
NSFCC	National Strike Force Coordination Center

APPENDIX E - ACRONYMS

OPA 90	Oil Pollution Act of 1990
OSLTF	Oil Spill Liability Trust Fund
PIAT	USCG Public Information Assist Team
POLREP	USCG Pollution Report Message
PRFA	Pollution Removal Funding Authorization
PST	USCG Pacific Strike Team, Novato, CA
RCP	Regional Contingency Plan
RP	Responsible Party
SSN	Social Security Number
TIN	Tax Identification Number
TOPs	Technical Operating Procedures
USCG	U.S. Coast Guard
USCG/NRC	USCG National Response Center

APPENDIX F - STANDARD OPERATING PROCEDURES FOR ISSUANCE OF BOA ORDERS

1. Oil Spill/Hazmat (nongovernmental) occurs.
2. Do we need to hire contractors? If yes, continue. If no, stop.
3. Get FPN/CPN and ceiling amount.
 - A. If BOA order for an individual contractor is over \$25,000, stop and contact MLC.
 - B. If BOA order for each contractor is under \$25,000, start BOA order file and documentation checklist.
4. Review BOA contractors.
 - A. If no BOA contractor available, stop and contact MLC.
 - B. If BOA contractors are available, before hiring, consider the following:
 - 1) Technical capability;
 - 2) Response time;
 - 3) Price.
5. Establish not-to-exceed dollar amount for each BOA order (remember: cumulative total of all BOA orders, non-BOA contracts, and government costs must not exceed FPN/CPN ceiling amount.)
6. Place Verbal BOA order(s).
 - A. Fill in the specific information and tell each BOA contractor the following:
 - 1) "I am placing an order under your BOA for FPN/CPN number _____;"
 - 2) "The not to exceed amount of your BOA order is \$_____;"
 - 3) Then, specify what to bring, where to bring it, and when.

APPENDIX F - STANDARD OPERATING PROCEDURES FOR ISSUANCE OF BOA ORDERS

- B. Briefly document what was said in the BOA order file (MLCPAC).
- 7. Generate each procurement request (PR) in LUFS and get it approved by the funds manager.
- 8. Issue authorization to proceed (ATP) message within 24 hours (IAW CGAP, MLC LANT ONLY).
- 9. Generate each BOA order in LUFS and get it signed by FOSC (MLCPAC).
- 10. Monitor progress and not to exceed ceiling amount of each BOA order.
 - A. Money.
 - 1) If BOA order can be successfully completed within not-to-exceed amount, go to paragraph 11.
 - 2) If additional funds are required for the BOA order:
 - a) Determine if additional funds are available.
 - i) If yes, continue.
 - ii) If no, obtain increase in FPN/CPN ceiling before proceeding any further.
 - b) If the revised BOA order not to exceed amount will exceed \$25,000 (MLCLANT) or \$50,000 (MLCPAC), stop and contact MLC.
 - c) If a revised BOA order not to exceed amount will not exceed \$25,000, (MLCLANT) or \$50,000 (MLCPAC):
 - i) Amend the PR (MLCPAC).

APPENDIX F - STANDARD OPERATING PROCEDURES FOR ISSUANCE OF BOA ORDERS

ii) Generate a modification to increase the BOA order not to exceed ceiling amount and get it signed by the FOSC.

iii) Generate message for revised ATP indicating old ATP ceiling and new ATP ceiling (MLCLANT).

B. Subcontractor approval.

- 1) Obtain written subcontractor approval by FOSC.
- 2) Place written FOSC subcontractor approval in BOA order file.

11. Invoices.

- A. Date stamp invoice upon receipt.
- B. 7 day acceptance/rejection period.
- C. 10 day maximum for FOSC to approve and forward to the contracting officer by overnight mail to the following appropriate address:

MLCPAC (fcp)
Building 54A
Coast Guard Island
Alameda, CA 94501-5100

Or

Commander
MLCLANT (fcp-2)
300 East Main Street
Suite 965
Norfolk, VA 23510-9113

**APPENDIX F - STANDARD OPERATING
PROCEDURES FOR ISSUANCE OF BOA
ORDERS**

D. Obtain BOA contractor release for final payment.

**REMEMBER TO PROCESS EACH INVOICE TIMELY
– DO NOT HOLD AN INVOICE UNTIL CASE
COMPLETION. INTEREST ACCRUES DAILY ON
LATE INVOICES.**

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